

# **Publishing**

## **CITY OF GLENDALE PRIVILEGE LICENSE (Sales) TAX**

### **WHO MUST PAY THE TAX?**

You must be licensed and pay tax if you are engaged in the business of publishing of newspapers, magazines or other periodicals. The sale of books is taxable as a retail sale. The sale of advertising in the periodicals is taxable under the advertising classification, based on the rules below for “Which City is Owed the Tax.”

### **WHAT IS THE CITY TAX RATE?**

The city’s tax rate is 2.9%; the combined rate (including state & county taxes) is 10.2%.

### **WHEN IS TAX DUE?**

Your tax return and payment are due on the 20<sup>th</sup> day of the month following the reporting period.

### **WHICH CITY IS OWED THE TAX?**

If distributed by U.S. Mail

– If the publication is mailed, the tax is due to the city in which the publisher is located. This is determined by:

- (1) The location of the offices of the publisher when the printing of the publication is not performed by the publisher, or
- (2) The location of either the editorial offices or the printing facilities if the publisher performs the printing of the publication.

If distributed other than by U.S. Mail

– The tax is owed to each city in which the publication is distributed if distributed by carrier. Revenues must be allocated to each city by proportion of revenue received for the circulated material. Publishers of periodicals based in Glendale owe tax to Glendale on all revenues not reportable to another city for circulation in that city. Publishers of periodicals based outside of Glendale owe tax to Glendale on all circulation into the city limits.

### **WHAT IS TAXABLE?**

Publishing income is measured by gross revenue from subscriptions and direct sales received by the publisher. All circulation income of a publisher is subscription revenue, except for amounts credited to carriers or vendors as compensation for delivery.

**DEDUCTIONS THAT CAN BE TAKEN (when included in the gross income on the front of your tax return):**

1. State, county and city tax collected whether charged separately or included in the sales price.
2. Discounts, refunds or returns.
3. Sales to “qualifying health care facilities,” including hospitals, nursing homes & dialysis centers (must be non-profit).

**CALCULATING THE TAX**

You may choose to charge the tax separately or you may include tax in your price. If you include tax in your price (no separate charge for tax), you may back out the tax in order to compute the amount of tax included in your gross income. The formula is:

TAXABLE SALES divided by 1 + COMBINED TAX RATE of 10.2% (state, county & city tax)

Calculate the tax deduction as follows:

Taxable sales ÷ factor (1.102) = *computed taxable income*.

Taxable sales less *computed taxable income* equals your deduction for tax collected.

Example: \$3,000.00 ÷ 1.102 = \$2,722.32

\$3,000.00 - \$2,722.32 = \$277.68 (tax collected deduction)

If more tax was collected than was due, the city’s portion of excess tax collected must be paid to the city, unless it is refunded to the customer. Please refer to the Privilege (Sales) Tax Instruction Sheet for instructions on how to report excess tax collected or the tax collected deduction.

For more information, on our licensing, tax rates, tax return instructions or a copy of the Tax Code go to [www.glendaleaz.com/taxandlicense/](http://www.glendaleaz.com/taxandlicense/) or call (623) 930-3190 or write to:

City of Glendale, Tax & License Division  
5850 W. Glendale Ave, Suite 104  
Glendale, Arizona 85301.

*This is general information only. The intent is to condense and simplify the language in the Glendale City Tax Code. For complete details, refer to the Glendale City Tax Code.*